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October 18, 2002

D. Wayne Hedberg Permit Supervisor Minerals Regulatory Program Division of Oil, Gas and Mining P.O. Box 145801 Salt Lake City, Utah 84114-5801

Re: Reclamation Bond Review, Cane Creek Mine, M/019/005, Grand County, Utah

Dear Mr. Wayne:

This letter is in response to your October 9, 2002 letter requesting an update on and schedule for submittal of a recalculated reclamation bond for the Cane Creek Mine. We have retained Envirogen, a consulting firm that has considerable experience with permitting and reclamation issues. Our next meeting will take place in Moab during the first week of November. At this meeting we will also have representatives from Belair Excavating. They are contractors specializing in demolition and have completed numerous large projects including Stapleton Airport in Denver. They will be assisting with a review of the reclamation and demolition costs.

After this meeting we would like to once again meet with you and/or Doug Jensen or other members of your staff to review our progress and get feedback concerning the new information we will have submitted. We would like this meeting to take place on December 10 in Salt Lake City. We will be in touch with you in the next few weeks to try and set up this meeting. If you have any questions, please call me at (435) 259-1201.

Sincerely,

Rick York

General Manager

Rick York

cc: Bob Jornayvaz, Intrepid Mining

Hugh Harvey, Intrepid Mining

Rich Schowengerdt, Envirogen

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